

MINUTES
State Allocation Board
February 23, 2005

Upon notice duly given, the monthly meeting of the State Allocation Board was held in Room 447 of the State Capitol, Sacramento, California on February 23, 2005 at 4:00 p.m.

Members of the Board present were as follows:

- Anne Sheehan, Chief Deputy Director, Policy, Department of Finance, designated alternate for Thomas Campbell, Director, Department of Finance
- Rob Cook, Deputy Director, Interagency Support Division, Department of General Services, designated alternate for Ron Joseph, Director, Department of General Services
- Kathleen Moore, Director, California Department of Education, designated representative for Jack O'Connell, Superintendent of Public Instruction
- Senator Bob Margett
- Senator Alan Lowenthal
- Senator Jack Scott
- Assembly Member Lynn Daucher
- Assembly Member Jackie Goldberg
- Assembly Member Joe Coto

Representative of the State Allocation Board (SAB) was as follows:

Mavonne Garrity, Interim Assistant Executive Officer

Representative of the Department of General Services, Office of Public School Construction (OPSC), was as follows:

Luisa M. Park, Executive Officer
Dave Zian, Manager, Fiscal Services/Program Services

Representative of the Department of General Services, Office of Legal Services, was as follows:

Garry Ness, Assistant Chief Counsel

With a quorum present, Ms. Sheehan, Chair, called the meeting to order at 4:08 p.m.

DELEGATION OF AUTHORITY FOR EXECUTIVE OFFICER

The Board approved the Resolution appointing Ms. Luisa M. Park as the Executive Officer of the State Allocation Board.

CLOSED SESSION

The Board convened into closed session pursuant to Government Code Section 11126(e)(1) for the purpose of conferring with and receiving advice from counsel regarding *Godinez v. Davis et al*; (2nd Civ. No. B161508).

Upon conclusion of the closed session, the Board reconvened into open session at 4:25 p.m.

PRIOR MINUTES

A motion was made and carried to approve the Minutes for the January 26, 2005 SAB meeting, which included an amendment on page 3 of the Minutes concerning the Oxnard Elementary School District. Specifically, the Board requested that the following statement be removed from the minutes:

"In considering this item, the Board approved the staff recommendation."

EXECUTIVE OFFICER'S STATEMENT

The Executive Officer advised the Board on two items: 1) the March SAB meeting changed from March 23rd to March 30th based on the preference of the majority of the SAB membership; and 2) the Class B Construction Cost Index emergency regulations were submitted to the Office of the Administrative Law with the anticipation that they will be approved in the next ten days.

CONSENT ITEMS

Mr. Rob Cook, Designee for the Director of the Department of General Services, made a motion that the School Facility Program project apportionments included in this Consent Agenda be made but not be final until further adjustment is made, based on the index approved by the Board following the Office of Administrative Law finalization and approval of the Construction Cost Index regulations approved by the Board in October of 2004.

In considering this item, the Board approved the consent calendar as presented. In addition, Ms. Moore abstained from voting on all items relating to the Elk Grove Unified School District.

FINANCIAL REPORTS***Status of Funds***

The Board accepted the Status of Funds report as presented.

SPECIAL CONSENT ITEMS***School Facility Program Time Limit on Fund Release Rescissions***

In considering this item, the Board approved the staff's recommendations.

School Facility Program Substantial Progress Reductions to Costs Incurred and Rescissions

In considering this item, the Board approved the staff's recommendations.

Fort Bragg Unified School District/Mendocino 58/65565-00-01

In considering this item, the Board approved the staff's recommendation.

Orange Unified School District/Orange 58/66621-00-01

In considering this item, the Board approved the staff's recommendations.

Grant Adjustments for Labor Compliance Programs

In considering this item, the Board approved the staff's recommendations. In addition, Ms. Moore, abstained from voting on all items relating to the Elk Grove Unified School District.

Clovis Unified School District/Fresno 52/62117-00-01

In considering this item, the Board approved the staff's recommendations.

SPECIALS/APPEALS***School Facility Needs Assessment Grant Program Funding***

Mr. Dave Walrath, representing the Small School Districts Association, addressed the Board. In considering this item, the Board approved staff's Recommendation No. 1 and did not approve staff's Recommendation No. 2. Additionally, Ms. Moore abstained from voting on all items relating to the Elk Grove Unified School District.

The Board requested that the California Department of Education (CDE) report back to the SAB at a future meeting addressing the rural low-income areas that do not fit in the current model formula for funding. The Board recognized that such changes may require urgency legislation or may be addressed through the budget. Further, the Board requested that CDE look into cleanup legislation so that the California Schools for the Deaf can participate in the program.

Charter School Facility Program Preliminary Apportionment Approvals

Ms. Olivia Soza Mendiola and Ms. Maria De La Garza, representing the Mexican American Community Service Agency (MACSA)/EI Portal Charter School, addressed the Board. In considering this item, the Board approved the preliminary apportionments in the amount of \$276,810,763 and requested that staff work with the EI Portal Charter School and the Gilroy Unified School District on the following issues: 1) to determine if Gilroy Unified would be willing to file on behalf of the EI Portal Charter School, and 2) to explore other funding alternatives under the School Facility Program financial hardship provisions that could provide potential funding for the EI Portal Charter School should the Gilroy Unified School District qualify as a financial hardship district.

Further, the Board directed staff to report back on whether a facility funding resolution has been reached between the Gilroy Unified School District and the EI Portal Charter School, as well as a status update on the Los Angeles Unified School District and the Watts Learning Center appeal presented at the January 26, 2005 State Allocation Board meeting.

In addition, Ms. Moore abstained from voting on the two charter school projects relating to the Elk Grove Unified School District and Assembly Member Goldberg was recorded as a "No" vote.

Critically Overcrowded School Facilities Program

In considering this item, the Board decided not to take action at this time because there is no urgency. In addition, the Board requested Legal Counsel to provide an opinion on the following:

If the SAB were to transfer the available Critically Overcrowded School (COS) funds in the amount of \$269 million to the new construction category and subsequently were compelled by new legislation to return these funds to the COS category, would this trigger the 2/3 vote requirement by the Legislature?

Ceres Unified School District/Stanslaus 50/71043-00-02, 03, 04, 05, 06, 07

This Item was withdrawn by the District.

REGULATIONS***Williams Settlement – Senate Bill 6/Definition of the Supplement, Not Supplant Requirement***

In considering this item, the Board approved the staff's recommendations. It is further noted that the "dedicate" requirement language was mutually agreed upon by the parties and is not intended to prevent school districts from shifting those funds to other eligible maintenance projects.

REPORTS***California Department of Education School Facilities Planning Division – Summary of School Site and Plan Approval Processes***

Mr. Fred Yeager, representing the California Department of Education, presented a power point presentation to the Board. The Board accepted the report.

California Department of Education – Deciles One Through Three Schools' List

Please refer to paragraph two of the *School Facility Needs Assessment Grant Program Funding, Page 3, which addresses this issue.*

Impact of the Americans with Disabilities Act on the Emergency Repair Program – Senate Bill 6 (Chapter 899/2004)

Mr. Richard Conrad, Mr. Dennis Bellet, and Mr. Aaron Noble, representing the Division of the State Architect (DSA), addressed the Board. The Board inquired as to the impact the Americans with Disabilities Act (ADA) has on schools and requested feedback from school districts as to whether this is an area of interest for future bonds (i.e., funding category for ADA).

Piggyback Contracts and Building Code Compliance Related to Permanent Modular School Facilities

Mr. Richard Conrad and Mr. Dennis Bellet, representing the DSA, addressed the Board. The Board directed staff to obtain an opinion from the Attorney General's Office regarding the legality of a school district piggybacking on another school district's modular construction contract for purposes of constructing entire modular school campuses.

High Bid Impact on Financial Hardship Projects

The Board accepted the report.

INFORMATION/REFERENCE***Remaining Board Meeting Dates for the Calendar Year 2005******School Facility Program Workload List******Facility Hardship/Rehabilitation Approvals without Funding List as of January 26, 2005*****MISCELLANEOUS/OTHER ISSUES**

The Board directed staff to report back at a future meeting on the following issues: 1) hardship funding and whether or not there is equity represented in hardship funding for participating districts (i.e., do other districts benefit more than others?); and 2) residual modernization grants and whether any remaining funding or eligibility can be applied to another site that did not generate the grants.

ADJOURNMENT

There being no further business to come before the Board, the Chair adjourned the meeting at 6:22 p.m.

LUISA M. PARK, Executive Officer